



# *Baby Boomers and Health Savings Accounts*

# Introduction

ECI Healthcare likes to be ahead of our clients' needs. That's why in early 2006 we conducted an online survey among more than 1,000 baby boomers to hear what they knew and thought about High Deductible/Low Premium Health Savings Accounts. We knew that with the high cost of healthcare expenses impacting employers' ability to fund traditional health coverage, and the rate at which boomers were becoming uninsured (7 million 50- to 64-year-olds in 2008), this product would be marketed to boomers when the time was right. And that time is now.

So take a look at what boomers told us about HSAs then, and check back with us for our newest study (coming soon) on what boomers know and think about HSAs in 2009. The one thing we know hasn't changed is that the Health Savings Accounts are still not widely understood and that a clear explanation of the benefits is needed.

## For more information:

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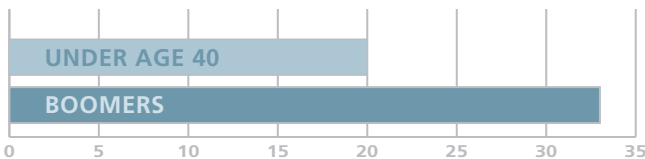
# Executive Summary

Boomers' likelihood to voluntarily enroll in a high deductible health plan and to contribute to an HSA will be impacted somewhat by age and income, but mostly by available cash and by an individual's or family member's health conditions, as well as boomers' understanding of the plans and their perceptions of the benefits and the risks.

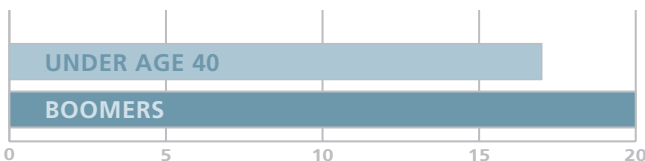
Overall, there is a need to better fully explain to boomers the benefits of a low premium/high deductible HSA account.

### Boomers are more interested in having a healthcare provider manage their HSA account than a bank or other financial services organization

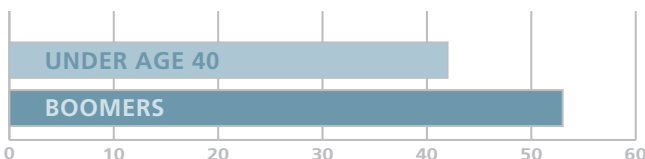
#### Boomers' #1 rated benefit of an HSA was as a tax advantaged savings plan



Boomers are more familiar with an HSA than the under 40 segment (33% vs. 20%)



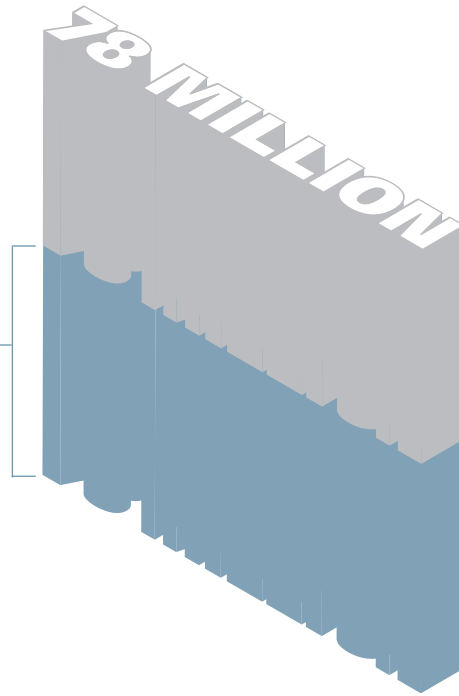
Boomers are more interested in contributing to an HSA than the under 40 segment (20% vs. 17%)



Boomers are more open to having a debit/check card linked to an HSA account than the under 40 segment (53% vs. 42%)

# Baby Boomer Facts

Of the nearly 78 million baby boomers, roughly 40 million are over the age of 50



Female baby boomers are the primary healthcare decision makers and account for 27.6% of the U.S. population and 51% of the boomer segment (this % will grow)

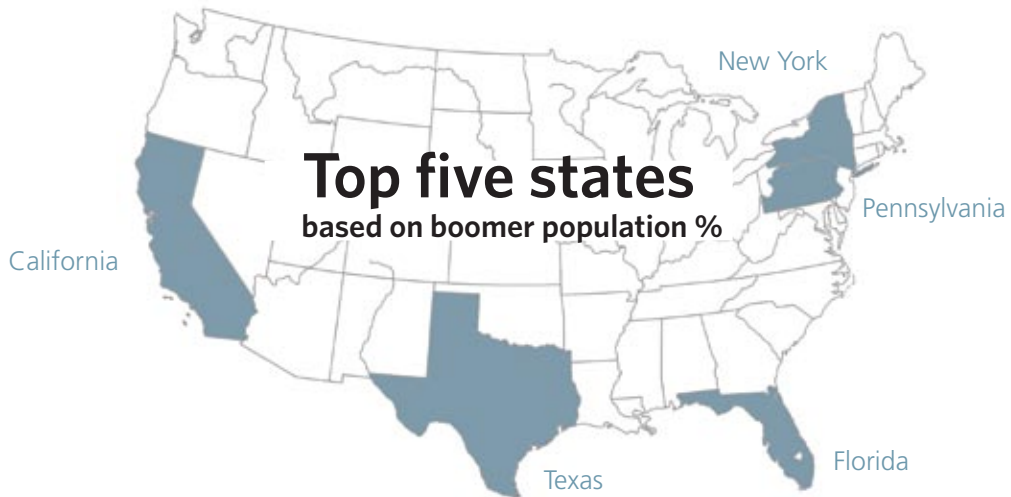
About **16%** of people between the ages of 50 and 64 are uninsured



# Baby Boomer Facts *cont.*



**17%**  
of baby boomers  
are minorities

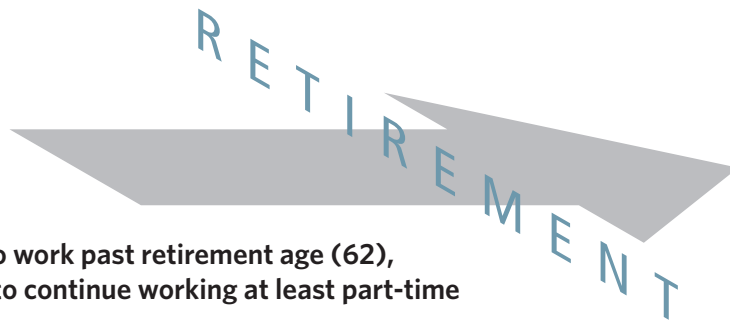


**54%**  
of all self-employed workers  
are boomers and older adults

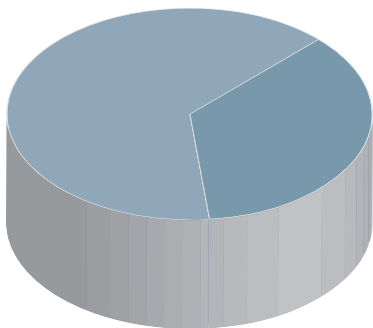
## Baby Boomer Facts *cont.*



Over 5 million Americans, 55 years of age or older work part-time

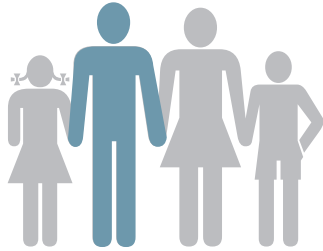


Many boomers plan to work past retirement age (62), with many expecting to continue working at least part-time



**36%** of boomers don't know that Medicare benefits begin at 65

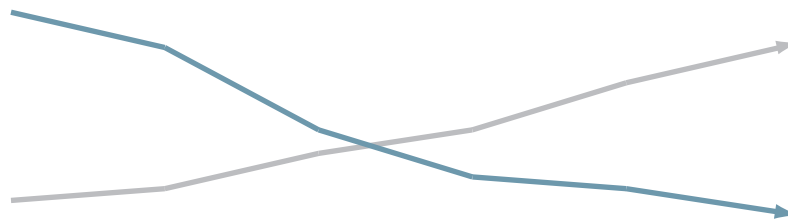
## *Baby Boomer Facts* cont.



**Over 64%** of family households with 4 or more members are headed by baby boomers; 37% of boomers still have children under 18 years of age at home

Retirement Savings

Affluence



As a group, boomers more affluent, more educated, and have higher expectations than previous generations, **yet most have no retirement savings**

### *Top Six Baby Boomer Concerns*

HAVING ENOUGH MONEY TO RETIRE

OVERALL FINANCIAL HEALTH

HAVING ENOUGH ENERGY TO DO WHAT THEY WANT

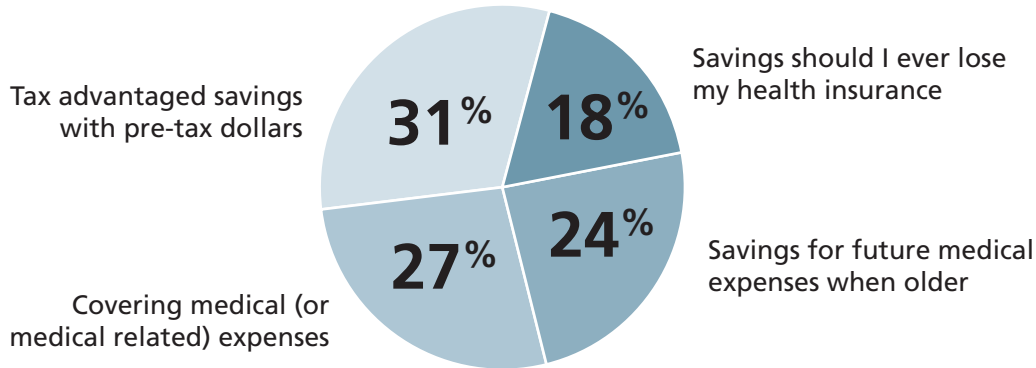
HAVING ENOUGH MONEY FOR HEALTH CARE

TAKING ACTION TO PREVENT DISEASE

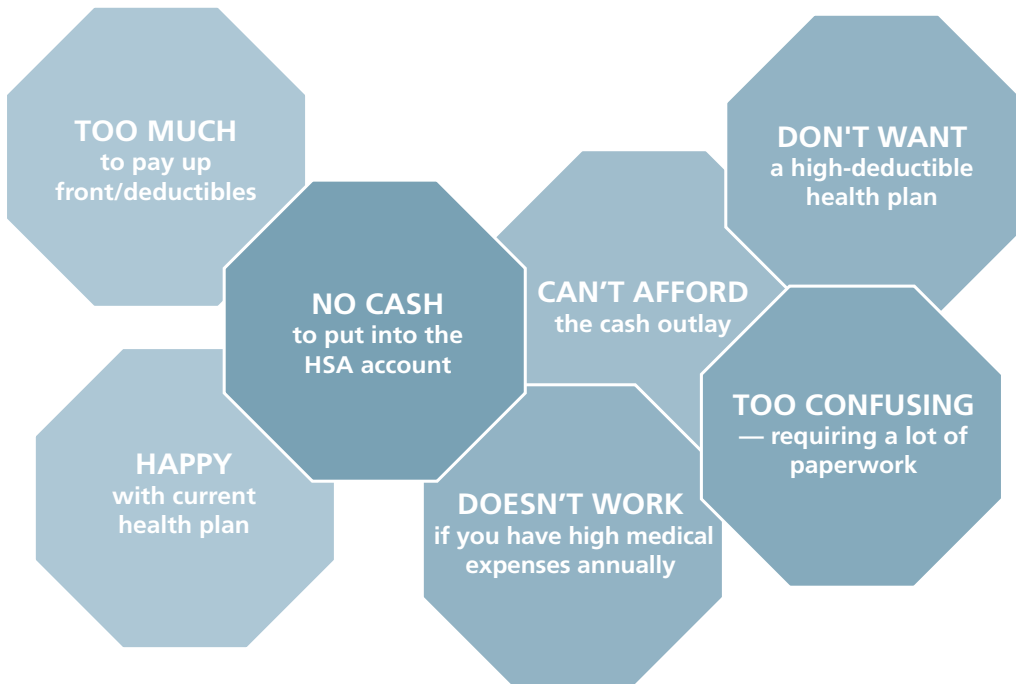
GETTING GOOD ADVICE FROM DOCTORS

# Boomers and Health Savings Accounts

Boomers ranked the following 4 benefits of an HSA. Below indicates the overall ranking, and the % of each benefit as their #1 benefit:



Biggest obstacles stated to enrolling in HSA:



## *Communication Strategies:*

**EXPLAIN THE TAX SAVINGS ADVANTAGES UP FRONT**

**EMPHASIZE AFFORDABLE AND PREDICTABLE COSTS—NO SURPRISES**

**HIGHLIGHT “LOW PREMIUM” RATHER THAN “HIGH DEDUCTIBLE”**

**PROVIDE SELF-EMPOWERING ON-LINE TOOLS THAT ALLOW BOOMERS TO EASILY AND CLEARLY COMPARE PLAN COSTS, FEATURES AND BENEFITS AND TO SEE FOR THEMSELVES HOW THIS COULD SAVE THEM MONEY**

**PROVIDE EDUCATIONAL SUPPORT USING CLEAR LANGUAGE RATHER THAN PURE “INSURANCE SPEAK”**

**ILLUSTRATE AN UNDERSTANDING OF THE BOOMER SEGMENTS’ DESIRE TO REMAIN INDEPENDENT, HEALTHY AND IN CONTROL AS THEY AGE**

## *About ECI Healthcare*

ECI Healthcare, a division of Expert Communications, Inc. (an Omnicom company), is a full-service integrated marketing agency. Staffed primarily with senior marketing professionals, ECI has built an unparalleled reputation for delivering brand-enhancing work that drives results. Within budget. On time.

Our expertise in the healthcare industry spans more than 10 years and intersects with 10+ years of researching and marketing to seniors and baby boomers. With an impressive client roster that includes Blue Shield of California, PacifiCare, Secure Horizons, CVS Caremark, and staff experience on dozens of other health accounts.

Providing modular turn-key solutions, in-house database expertise and commitment to zero defects — all at a speed to market that’s second to none — ECI Healthcare is the logical choice for your next marketing challenge.

ECI Healthcare is located in the heart of the San Francisco financial district.

For more information, please contact Robin Raff at 415.403.1022 or [rraff@ecihealthcare.com](mailto:rraff@ecihealthcare.com)

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